Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 05432 141354Z

40
ACTION ARA-20

INFO OCT-01 ISO-00 L-03 NSC-07 CIAE-00 INR-11 NSAE-00

PA-04 RSC-01 USIA-15 PRS-01 SP-03 EB-11 COM-08 SS-20

TRSE-00 FRB-03 AID-20 OPIC-12 DRC-01 /141 W
---------- 018485
R 132221Z SEP 74
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC 1809
INFO AMEMBASSY BOGOTA
AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY TEGUCIGALPA
AMCONSUL GUAYAQUIL

C O N F I D E N T I A L PANAMA 5432

E.O. 11652: GDS
TAGS: ETRD, PN
SUBJECT: BANANAS: UB PAYMENT OF BACK TAXES

CHIRIQUI LAND COMPANY (UB) PACIFIC DIVISION MANAGER HEYL HAS INFORMED ME THAT $1.8 MILLION INITIAL PAYMENT OF UNPAID EXPORT TAXES CALLED FOR IN UB-GOP AGREEMENT IS BEING MADE TODAY, SEPTEMBER 13. FIRST ATTEMPTED PAYMENT ON SEPTEMBER 10 WAS REJECTED BECAUSE CHECK ISSUED ON BOSTON BANK AND NOT CERTIFIED. FUNDS WERE TRANSFERRED TO PANAMA, AND CERTIFIED CHECK ON BANCO NACIONAL WAS OFFERED IN PAYMENT SEPTEMBER 12 UNDER COVERING LETTER REFERRING TO "ORAL UNDERSTANDING" BETWEEN UB AND GOP. DIRECTOR GENERAL OF REVENUE INDICATED HE WOULD ACCEPT PAYMENT WITHOUT REFERENCE TO ANY "UNDERSTANDING" AND THAT SURCHARGES AND INTEREST DUE ON TAX PAYMENTS WHICH WERE DELINQUENT WOULD BE ASSESSED. HEYL WITHHELD PAYMENT PENDING INSTRUCTIONS FROM UB BOSTON HEADQUARTERS. UB CONSIDERS IT IS NOT LIABLE FOR SUCH CHARGES UNDER SPIRIT, IF NOT LETTER, OF AGREEMENT, BUT INSTRUCTED HEYL TO GO AHEAD WITH PAYMENT AND LATER TO TAKE LEGAL ACTION
CONFIDENTIAL

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PAGE 02 PANAMA 05432 141354Z

REQUIRED TO CONTEST ASSESSMENT OF ANY SUCH CHARGES.

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

COMMENT: UB WOULD CLEARLY BE IN STRONGER POSITION IF AGREEMENT HAD SPECIFIED EXACT AMOUNT OF EXPORT TAXES OWED FOR SHIPMENTS BEFORE JULY 24 CUT-OFF DATE INSTEAD OF SIMPLY CALLING FOR INITIAL PAYMENT OF $1.8 MILLION IN CASH AND "BALANCE" TO BE SET ASIDE AS CREDIT AGAINST PURCHASE PRICE OF ASSETS OF COMPANY IF SALE IS SUBSEQUENTLY AGREED TO. I SUGGESTED TO HEYL THAT UB CONSIDER DEPOSITING WHAT IT CONSIDERS "BALANCE" TO BE IN SPECIAL FUND RIGHT AWAY AND SO INFORM GOP, TO PRECLUDE FURTHER CLAIMS OF CHARGES DUE FOR DELINQUENCY OF PAYMENTS.
END COMMENT.
JORDEN

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NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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Message Attributes

Automatic Decaptioning: X
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Concepts: EXPORTS, CUSTOMS DUTIES, SUBSIDIARIES, BANANAS, TAX AGREEMENTS, TAX ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Event:
Review Exemptions: n/a
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30 JUN 2005

Review Media Identifier:
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Secure: OPEN
Status: NATIVE
Subject: BANANAS: UB PAYMENT OF BACK TAXES CHIRIQUI LAND COMPANY (UB) PACIFIC DIVISION MANAGER HEYL HAS
TAGS: ETRD, PN, US, UNITED BRANDS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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